

**REMARKS**

Claims 1-40 and 74 are pending in the application. Previous claims 41-60, 69 and 71-73 have been cancelled in the present amendment.

**Section 101 Rejection**

Applicant disagrees with the Examiner's rejection of pending claims 1-20 as directed to non-statutory subject matter. 35 U.S.C. §101 provides that "whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof may obtain a patent therefore...." Each of pending claims 1-20 is directed to a process and therefore meets the requirements of Section 101.

The Examiner's position that the claims failed to satisfy §101 because they fail "to claim a technological basis in the body<sup>1</sup> of the claim," is without merit. As the Court stated in State Street Bank & Trust Co. v. Signature Financial Group, Inc., 149 F.3d, 1368 (Fed. Cir. 1998):

The plain unambiguous meaning of §101 is that any invention falling within one of the four stated categories of statutory subject matter may be patented, provided it meets the other requirements for patentability set forth in Title 35 ... The repetitive use of the expansive term "any" in §101 shows Congress' intent not to place any restrictions on the subject matter for which a patent may be obtained beyond those specifically recited in §101. Indeed, the Supreme Court has acknowledged that Congress intended § 101 to extend to "anything under the sun that is made by man." Thus, it is improper to read the limitations into §101 on the subject matter that may be patented where the legislative history indicates that Congress clearly did not intend such limitations. State Street, 149 F.3d 1372-1373 (emphasis applied, citations omitted).

Contrary to the Examiner's assertion, the Federal Circuit's decision in State Street makes clear that there is no "technological basis" requirement in §101. The only requirement is that the claim fall into one of the enumerated categories (which the present claims clearly do), and that they meet the utility requirement (discussed below.)

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<sup>1</sup> Applicant's note that the body of claim 1 has been amended to recite that "steps (a)-(c) are performed electronically during the electronic auction." Thus, even under the Examiner's interpretation of 35 USC §101, claims 1-20 meet the utility requirement.

Turning to the utility requirement, the Federal Circuit found that the “Hub and Spoke” software that was the subject of the State Street decision met the utility requirement of §101, because, the software admittedly produced a “useful, concrete, and tangible result.” The usefulness of the result was not diminished by the fact that the result was “expressed in numbers such as price, profit, percentage, cost, or loss.” See State Street, at 1375. Like the invention in State Street, claims 1-20 in the present application produce a useful, concrete, and tangible result - - namely the transformation of bids received during the conduct of an electronic auction.

Finally, as a result of the State Street decision, there can be no question that business methods - - such as those claimed in the present application - - meet the requirements of §101. In rejecting any “business method” exception to §101, the Federal Circuit stated as follows:

As an alternative ground for invalidating the ‘056 patent under §101, the Court relied on the judicially-created, so-called “business method” exception to statutory subject matter. We take this opportunity to lay this ill-conceived exception to rest. Since its inception, the “business method” exception has merely represented the application of some general, but no longer applicable legal principle, perhaps arising out of the “requirement for invention” – which was eliminated by §103. Since the 1952 Patent Act, business methods have been, and should have been, subject to the same legal requirements for patentability as applied to any other process or method. State Street, 149 F.3d at 1375.

Thus, for the reasons set forth above, applicant respectfully submits that the Examiner’s rejection of the present claims under §101 is without merit, and should be withdrawn.

#### Obviousness Rejection

Applicant’s disagree with the Examiner’s rejection of claims 1, 21 and 74 for obviousness over Ausubel (383) in view of Popolo. Claims 1, 21 and 74 each require “transmitting second bid information defined in a context of a second bidder that is different than said context of said first bidder to said second bidder, said transmitted second bid information enabling said second bidder to view said first bid originally defined in said context of said first bidder in said context of said second bidder.” Thus, these claims clearly require the transformation of bid information from a first bidder (into a context different from that of the first bidder) and the subsequent transmission of this transformed bid information to a second bidder. The Examiner has acknowledged that this limitation is not taught by Ausubel. See October 21, 2003 Official Action at 4 (“Aubusel does not explicitly disclose: enabling a second

bidder to view or display a bid originally defined in a context of said first bidder in said context of said second bidder.”) The Examiner has reasoned that this limitation is taught by Popolo, at Col. 14, lines 50-54; col. 15, lines 1-60; and col 16, lines 1-24, which provide as follows:

BUYERS MENU

1. REVIEW ALL ITEMS FOR SALE
2. REVIEW ITEMS BID
3. RETURN TO MAIN MENU

By selecting Option #1 of the BUYERS MENU, the subroutine 212 is called which displays the entire inventory in a default sort sequence, as shown in the following panel:

[Panel omitted]

and permits the user to browse the entire inventory.

The Item number is color coded, to quickly convey certain important information. When an Item number is shown in WHITE, the SpecSheet of the item has not yet been reviewed. Item numbers shown in BLUE, conversely, are items that have been reviewed. The blue color is used to make the item blend into the background so that it is deemphasized on the screen to reduce it's visual attraction. Items POSTED by the user are shown in BRIGHT WHITE. Items the buyer has bid on are shown in BRIGHT RED. Items that have been sold remain listed in the inventory for a short period of time and are shown in GREEN. The item remains on the system to give the Buyer and Seller a chance to complete the sale and physically move the steel. This grace period allows the seller to "undo" the sale without needing to re-post the item if for some reason the buyer is unable to complete the purchase.

The user may highlight any item and view the complete SpecSheet for that item by pressing the ENTER key. By pressing the Action key at PANEL #3 the following menu of options is displayed.

BUYERS SUB-MENU #1

- A. VIEW ITEM XXXX DETAILS
- B. SEARCH INVENTORY
- C. PRINT
- D. BID ON THIS ITEM
- S. CHANGE SCREEN SORT SEQUENCE
- T. TAG ITEM FOR LATER PRINT
- Q. NO ACTION, RETURN TO BROWSE

Selection of Options A-Q of the BUYERS SUB-MENU #1, calls the appropriate subroutines indicated at 214-226. The user can search for items meeting a selected criteria, and set the screen sort order so that similar items are arranged near each other for easy comparison. The inventory browse shows the basic attributes for each item. For any item of potential interest, that item may be highlighted and by then pressing ENTER the SpecSheet for that item is displayed for review. A buyer can search the inventory to quickly narrow the focus to only those items that satisfy a particular criteria of commodity, dimension and seller. The parameters of this or other search criteria can be stored for future use. Sellers can also create search sets in order to compare asking prices with similar offerings of other sellers. For example, if a seller regularly posts large quantities of Hot Rolled of a particular size, a search set could be established which evaluates all items in this commodity and size to see the asking price range. This information may assist the seller in establishing a reasonable asking price.

After selecting Option A of the BUYERS SUBMENU #1, the SpecSheet is displayed and may be printed. If desired, a bid on the item may be entered. A bid on the item may also be entered by selecting Option D, producing the following panel:

[Panel omitted]

To bid on the item in line 1 of PANEL #7, the line is highlighted and the ENTER key is pressed to display the following panel:

[Panel Omitted]

This panel permits the Buyer to bid up to 10 units of the item based on an amount per unit weight or as a percentage of the asking price. In this example the asking price is \$0.2209 per pound. By cursoring to this field an amount may entered or by cursoring to the next field the entry of a percentage will automatically fill in the bid price. After a bid is entered for the specified number of units, PANEL #7 is updated with the total amount bid as shown in PANEL #9 below.

After careful review of this cited passage, it is clear that, while Popolo arguably teaches the transmission of bid information between buyer and seller, there is no teaching or suggestion of transmission of bid information between two different bidders, as required by each of the pending claims. More particularly, there is no teaching or suggestion in Popolo of providing a second bidder with a bid originally defined in a context of a first bidder in a context of the second bidder. Since the Examiner has acknowledged that this limitation is not present in

Ausubel, and the limitation is also absent from Popolo, it is respectfully submitted that the pending claims are allowable over the art of record.

Conclusion

In view of the above, it is believed that all pending independent claims represent patentable subject matter over the cited prior art, either alone or in combination. Moreover, Applicants respectfully submit that each dependent claim is allowable, because each such claim depends from an allowable base claim. Applicants respectfully request the Examiner's consideration and examination of the application and timely allowance of the pending claims.

**EXCEPT** for issue fees payable under 37 C.F.R. § 1.18, the Commissioner is hereby authorized by this paper to charge any additional fees during the entire pendency of this application, including fees under 37 C.F.R. §§ 1.16 and 1.17 which may be required, including any required extension of time, fees, or credit any overpayment to Deposit Account 50-0310. This paragraph is intended to be a **CONSTRUCTIVE PETITION FOR EXTENSION OF TIME** in accordance with 37 C.F.R. § 1.136(a)(3).

Respectfully submitted,

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